



P4 Partners, LLC

August 6, 2010

City of Indianapolis
C/o Mr. Don Devendorf
Vice President
Morgan Stanley – Investment Banking Division
1585 Broadway - 33rd Floor
New York, NY 10036

Re: Bid for the City of Indianapolis Metered Parking System Concession

Dear Ladies and Gentlemen,

Please find herein a conditional, non-conforming bid from P4 Partners, LLC for the City of Indianapolis Metered Parking System Concession.

Our preference and expectation was to submit an unconditional, fully conforming bid for the Metered Parking System Concession at this time, however, the tight timing between the release of the revised Concession Agreement and the due date of final bids in the current capital climate negatively impacted our ability to replace our original capital partner Aurora Capital. Notwithstanding that fact, we have a very high quality, well-capitalized alternative source of equity funding in process, but it is impossible for that proposed capital provider to complete its internal process by the original bid submission date of August 6th. For that reason, we respectfully request that you extend the hard bidding date to September 7, 2010. At that time, we anticipate submitting a fully conforming, all-equity bid.

We would not make this request of you without being fully committed to securing this equity commitment and having a meaningful chance of bringing forward to you an additional, high quality conforming bid for the Metered Parking System Concession. As you and your financial advisor are aware, we have substantially completed our due diligence and business planning, and submitted a thorough mark-up of the Concession Agreement for your review. As a result of this work, we are hereby submitting for your consideration a proposed Upfront Payment of **Forty-Six Million Eight Hundred Thousand Dollars (\$46,800,000)**, conditioned upon obtaining the equity commitment referenced above, and meeting other requirements by the requested extended bid submission date.

We intend no disrespect for your process by proceeding in this manner, and we understand if you cannot accommodate us in this request. We believe, however, that an extension of the bid date in the manner requested, would present the City with an additional compelling bid for consideration.

Thank you, again, for allowing us to participate in this process.

Very truly yours,

P4 Partners, LLC

By:

A handwritten signature in black ink, appearing to read "Larry Stubbs", with a long horizontal line extending to the right.

Name: Larry Stubbs, Member

CITY OF INDIANAPOLIS OFF-STREET PARKING
MANAGEMENT AGREEMENTS BID FORM

The undersigned applicant (the "Applicant") hereby unconditionally and irrevocably offers to enter into the City of Indianapolis Off-Street Parking Management Agreements in the form identified as "Binding-Bid, Execution Copy" and heretofore delivered to the Applicant for this transaction (the "Management Agreements") on the following terms and conditions (capitalized terms used herein and not otherwise defined shall have the same meanings as assigned to such terms in the Management Agreements):

1. Applicant: The Operator will be the Applicant identified below, provided that the Applicant may create a subsidiary owned as described in Paragraph 6(i) hereof (the "Subsidiary") to be the Operator prior to the execution of the Management Agreements pursuant to Paragraph 5 below, in which event the Subsidiary shall carry out all of the obligations of the Operator under the Management Agreements from and after such execution.

2. Final Agreement: There will be no changes or modifications of any kind to the Management Agreements.

3. Management Fees:

a). As the majority of the facilities are financed with tax exempt bonds, the contract management fee must meet the requirements described in IRS REV PROC 97-13, as modified by REV PROC 2001-39 ("Revenue Procedure"). These requirements provide that a management contract with a term contemplated by this bid must have a compensation structure where at least 80% of the total fee for each annual period is based on a fixed fee. The variable portion of the total fee is limited to 20%. No part of the compensation may be based on net profits from the operation of the facilities.

b). The applicant may bid an entirely fixed management fee or a fee structure where at least 80% of the total fee is fixed and any variable portion is capped at an amount equal to 20% of the total fee.

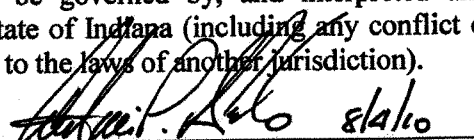
c). The Revenue Procedure does permit a one time, single state dollar amount, incentive award during the term of the contract under which compensation automatically increases based on a gross revenue or expense target (but not both). The owners require that any incentive fee component be based on improvement in revenue or subjective performance standards to be negotiated between the operator and the owner.

4. Unconditional Offer: This offer will be unconditional and irrevocable until 5:00 p.m. Eastern Time on October 1st, 2010 unless extended by mutual consent of both the City of Indianapolis (the "City") and the Applicant (the "Termination Time"). If the City does not give written notice to the Applicant, at the address specified below, that the City is prepared to enter into the Management Agreements on or prior to the Termination Time, this offer shall terminate at the Termination Time.

5. Agreement Execution: If, at any time prior to the Termination Time, the City gives written notice to the Applicant, at the address specified below, that the City is prepared to enter into the Management Agreements with the Applicant, the Applicant will, within two Business Days of its receipt of such notice, enter into the Management Agreements.

6. Applicant Authorization: The Applicant represents and warrants that (i) it is, and the Subsidiary will be, wholly-owned, directly or indirectly, by the Persons disclosed in the written certification form delivered to the City or its representatives prior to the date of this offer (the "Certification Form") and no individual or company has a controlling interest in the Applicant except as disclosed on the Certification Form; (ii) it has full power and authority to make this offer and it, or the Subsidiary, will have full power and authority to execute and deliver the Management Agreements pursuant to the terms hereof; (iii) such actions do not and will not violate the terms of any of the Applicant's or the Subsidiary's organizational documents or any agreement binding upon it or the terms of any applicable Law; (iv) no further consent to this offer or to the execution of the Management Agreements pursuant to the terms hereof is required to be obtained from any other Person or Governmental Authority; and (v) this offer constitutes, and the Management Agreements, if executed pursuant to the terms hereof, will constitute duly authorized, valid and legally binding obligations of the Applicant, or the Subsidiary, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfers, or other laws affecting creditor's rights generally and subject to general principles of equity (regardless of whether in law or in equity).

8. Governing Law: This offer shall be governed by, and interpreted and enforced in accordance with, the laws in force in the State of Indiana (including any conflict of laws rule or principle that might refer such interpretation to the laws of another jurisdiction).


NAME OF APPLICANT

APPLICANT CONTACT

Name: Antonio P. DiPaolo
Title and Organization: LAZ Parking Chicago, LLC
Address: 15 Lewis Street, Hartford, CT 06103
Telephone (office): 860-522-7641
Telephone (cell): 312-519-8115
Email: tdipaolo@lazparking.com

Date: 8/5/10

**CITY OF INDIANAPOLIS PARKING METER CONCESSION AGREEMENT
APPLICANT AND OPERATOR CERTIFICATION FORM**

Information concerning the Applicant

Name of the Applicant: **P4 Partners, LLC**_____

Business Address of the Applicant: **15 Lewis Street, Hartford CT 06103**_____

Telephone: **(860) 522-7641**_____ Fax: **(860) 724-0229**_____

Email: **lstubbs@lazparking.com**_____

Name of Contact Person: **Larry J. Stubbs**_____

Legal Form of the Applicant: **Limited Liability Company**_____

State of incorporation or organization of the Applicant: **Connecticut**_____

If not organized in Indiana, is the Applicant authorized to do business in Indiana? **Will be authorized to conduct business in Indiana prior to Closing**_____

Please list the names and titles of all officers and directors of the Applicant (use additional sheet(s) if necessary):

Alan B. Lazowski – Managing Member
David Lerman – Member and Managing Director
Jeffrey N. Karp – Member
Michael J. Kuziak – Member
Larry J. Stubbs – Member
Peter Levin – Member
Marc Lutwack – Member
Robert DeBurro – Member

Please list the name, business address and percentage interest of each Person (as defined in the Concession Agreement) with a direct or indirect interest of ten percent or greater in the capital stock, units, partnership or membership interests and other equity interests or securities of the Applicant (including options, warrants and other rights to acquire any such equity interests):

Alan B. Lazowski – 20%
Jeffrey N. Karp – 20%
Michael J. Kuziak – 15%
David Lerman – 10%
Larry J. Stubbs – 10%
Peter Levin – 10%
The Cloud Company – 10%

All: P4 Partners, LLC
15 Lewis Street
Hartford, CT 06103

Information concerning the Operator

Will the Operator be the Applicant?: **NO**_____

If no, will the Operator be a wholly-owned subsidiary of the Applicant (a "Subsidiary")?: **NO**_____

If neither the Applicant nor a Subsidiary will be the Operator, please answer the following items regarding the Operator:

Name of the Operator: **LAZ Parking Chicago, LLC**_____

Business Address of the Operator: **15 Lewis Street, Hartford, CT 06103**_____

Telephone: **860-522-7641**_____ Fax: **860-761-0390**_____

Email: **tdipaolo@lazparking.com**_____

Name of Contact Person: **Antonio (Tony) DiPaolo**_____

Legal Form of the Operator: **Limited Liability Company (LLC)**_____

State of incorporation or organization of the Operator: **Connecticut**_____

If not incorporated in Indiana, is the Operator authorized to do business in Indiana? **YES**_____

Please list the names and titles of all officers and directors of the Operator (use additional sheet(s) if necessary):

Alan B. Lazowski – Chairman and CEO
Jeffrey N. Karp – President and Secretary
Michael J. Kuziak – Chief Operating Officer
Nathan Owen – Chief Financial Operator

Please list the name, business address and percentage interest of each Person with a direct or indirect interest of ten percent or greater in the capital stock, units, partnership or membership interests and other equity interests or securities of the Operator (including options, warrants and other rights to acquire any such equity interests):

LAZ, Karp Associates, LLC. – 100%. Holdings in LAZ Karp are as follows:

VINCI Park Holdings USA –	50.0%
Alan B. Lazowski –	13.5%
Jeffrey N. Karp –	13.5%

Information concerning the Operator (cont.)

Please provide the following on a separate sheet:

- (a) a brief description of the capitalization of the Operator.

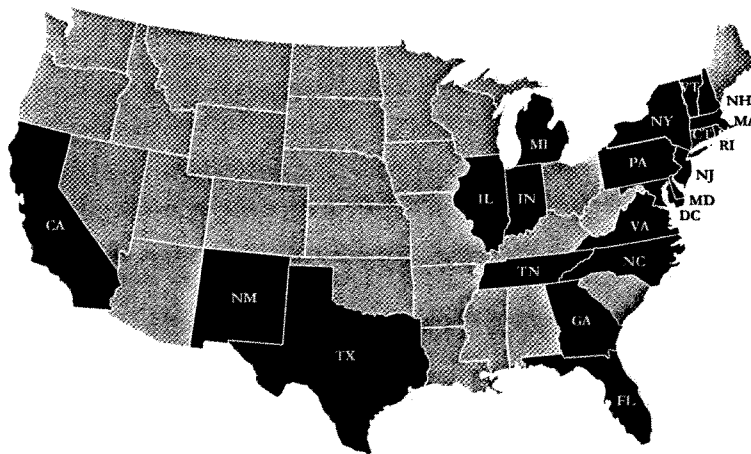
LAZ Karp Associates, LLC (d/b/a "LAZ Parking") is a limited liability corporation organized pursuant to the laws of the State of Connecticut. LAZ Karp Associates, LLC has two members, each owning a 50% membership interest: LAZ Karp Partners, Inc. and VINCI Park, USA Holding, Inc. LAZ Karp Associates, Inc. comprises the original five (5) shareholders of the LAZ Enterprise, as well as shareholders admitted following the acquisition of Sunset Parking of San Diego. VINCI Park USA Holding, Inc is wholly owned by VINCI Park of France, part of the VINCI Group, a publicly traded company on the Paris Stock Exchange.

- (b) a brief description of the experience of the Operator in operating comparable parking facilities and performing other relevant projects.

LAZ Parking operates through regional offices, headed by officers of the company. Through these offices, LAZ offers its clients the resources of a large company but with the attention and responsiveness more typical of a local company.

LAZ Parking's portfolio includes major on-street and off-street municipal parking, entertainment/event parking, residential buildings, hotels and resorts, office buildings, mixed-use projects, hospitals and medical complexes, airports, university parking and valet-oriented parking specifically for restaurants/hotels.

LAZ Parking is located in the 21 states represented on the map below:



LAZ Parking Fast Facts	
Years in Operation:	29 Years
Number of Locations:	1,500+
Number of Parking Spaces:	435,000+
Annual Managed Revenues:	\$500+ Million (Projected 2010)
Number of Employees:	5,200+
States / Cities:	21 / 99
Portfolio Mix:	Managed, Leased and Owned
Regional Offices:	Hartford (Head Office), Los Angeles, San Diego, San Francisco, Atlanta, Baltimore, Boston, Chicago, Dallas, Houston, Miami, New York, New Jersey, Philadelphia, and Washington DC

In the fall of 2007, LAZ Parking formed a partnership with Europe's top parking operator, VINCI Park, which took a 50% ownership in the company. VINCI Park, headquartered in Paris, France currently operates over 863,000 parking spaces in 300 cities, in 14 countries. The combined strength of VINCI Park and LAZ Parking has created the largest parking company in the world in terms of value with the combined expertise and management of over 1,000,000 parking spaces.

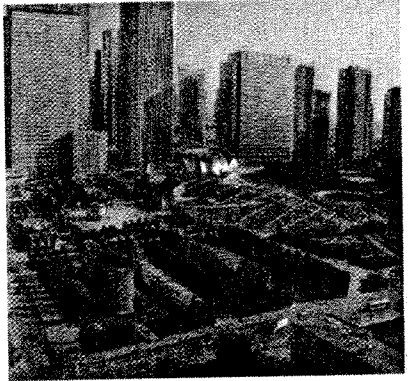
Specific Public Sector Expertise

LAZ Parking's senior management has well over one hundred years of combined parking expertise globally. In the U.S., the LAZ management team includes Patrick Ryan and Phil Oropesa, who have over 50 years of combined municipal parking expertise working as senior staff and as Parking Directors for the cities of New York, Hartford, Reading, Pennsylvania, St. Petersburg, Miami Beach and West Palm Beach.

Following is a summary table of some of LAZ Parking's public sector clients:

U.S. Government Clients	
Entity	# of Spaces
Washington Metro Area Transit Authority (DC)	59,000
Chicago Meters System (IL)	36,000
Massachusetts Bay Transportation Authority (MA)	25,037
Metropolitan Transportation Authority (Metro North) (NY)	13,535
Norwalk Parking Authority (CT)	4,000
City of South Miami (FL)	1,375
Port Authority of New York (NY)	1,250
City of Macon (GA)	800
University of Miami (FL)	750
Village of Bal Harbour (FL)	400
Town of Surfside (FL)	80
U.S. Total	142,227

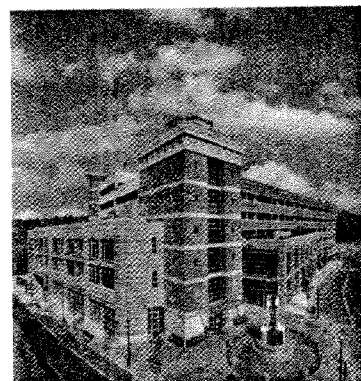
Reference Sites

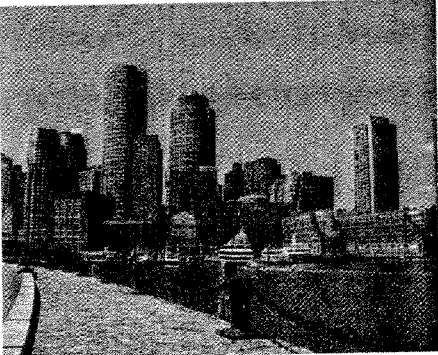
City of Chicago – Millennium Garages	
Spaces / Date	9,127 / December 2006
Location	4 garages at or near 25 Nth Michigan Avenue, Chicago IL 60603
Revenue Control	DataPark – 28 Entry / Exit Pay-in-lane, 48 Pay on Foot.
Staffing	40
Gross Revenues	Withheld per client – Largest underground parking system in US
Annual Budget	As Above
Contact	Dennis Pedrelli – CEO, Chicago Loop Parking / Morgan Stanley
	dennis.pedrelli@chicagoloopparking.com , 312-519-8114
<p>Complete 24/7 parking, facility, and marketing management of the largest underground parking system (2.5 million square feet) in the USA. 4 locations underneath world famous Millennium Park in downtown Chicago, servicing transient, monthly, event, overflow, and sub-tenant patrons to office towers and visitors to the area.</p> <p>LAZ increased Net Revenue by 23.74% in Year 1 and decreased expenses from 2008-2009 by 19.5% through the following measures: Installed 28 new credit card Entry and Exit Pay in Lanes and 48 Pay on Foot, reducing staff levels and expenses. Upgraded all lighting and ballasts to “green” fittings throughout the garages, saving energy and reducing energy costs. Performed marketing campaigns for transient parkers, sold additional monthlies.</p>	
	

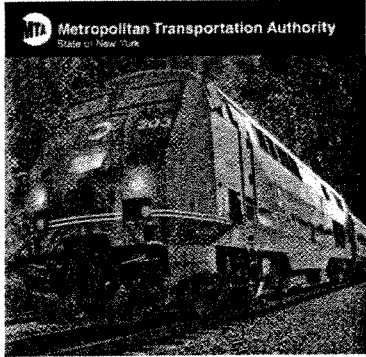
Port Authority of NY and NJ	
Spaces / Date	1,250 / December 2005
Location	625 8 th Avenue, New York, NY 10018
Revenue Control	Federal APD – Pay in Lane, Pay on Foot, Credit card in/out, Value Pass, LPR
Staffing	8
Gross Revenues	\$9.9 million
Annual Budget	\$9.3 million in Operational Expenses \$238,000 in payroll.
Contact	Dave Heiser – Manager Commercial Leasing and Acquisitions
	dheiser@panynj.gov , 212-435-8316
<p>LAZ provides 24hr self park and valet to over 500,000 vehicles per year at Manhattan's 2nd largest public parking facility. LAZ has incorporated automated technology such as reversible lanes, credit card in/out, pay-on-foot, pay-in-lane, cashiering and monthly access card exit, reducing per-transaction time to less than 10sec. for faster exits, increased customer satisfaction and greater revenue.</p> <p>Stringent management ensures that only 4% of exit transactions are cashiered, while 64% use pay-in-lane and 32% use pay-on-foot, drastically reducing labor expense.</p> <p>Co-developed a branding package which increased transient revenue, implemented preferred parking program to increase monthly revenue.</p>	



Norwalk Parking Authority	
Spaces / Date	4,000 / January 2003
Location	4 garages, 9 surface lots, on-street meters in various locations, aquarium valet
Revenue Control	Amano, 3 Pay on Foot, 6 Pay in Lane, CALE pay stations
Staffing	30
Gross Revenues	\$5.6 million
Annual Budget	\$5.1 million
Contact	Katheryne Hebert – City Hall Purchasing Department
	khebert@norwalkct.org , 203-854-7712
<p>When LAZ Parking begin operating the Norwalk Parking Authority facilities in 2003, the system was <i>losing</i> over \$600,000. LAZ has turned the operation around and for the past three years has created a net operating <i>income</i> of more than \$500,000.</p> <p>LAZ Parking has consistently introduced state of the art automation technologies as well as payment options that have significantly reduced operating expenses while enhancing the level of customer service. This has resulted in significant increases to net operating income.</p> <p>Through innovative management strategies, we have significantly increased permit sales and hourly parking activities without sacrificing service requirements. Over the past two years LAZ Parking has been instrumental in retrofitting the lighting in four of the City of Norwalk's parking garages resulting in increased energy savings and lighting levels</p>	



Massachusetts Bay Transportation Authority (MBTA)	
Spaces / Date	32,037 / December 2007
Location	62 lots and garages throughout eastern Massachusetts
Revenue Control	Federal APD, including entry/exit gates, ticket spitter and Pay on Foot
Staffing	130
Gross Revenues	\$22 million
Annual Budget	\$3.25 million
Contact	Ian Larrabee, Special Assistant to the General Manager
	ilarrabee@mbta.com , 617-222-4894
<p>LAZ Parking provides parking management, enforcement, snow removal and collection services for the MBTA. Additionally, LAZ provides parking attendant services and operates pay boxes and Revenue Control equipment at several sites.</p> <p>Since LAZ took over operation, we increased revenues by more than 12% in the first year and have continued to increase revenues every year since by between 5% and 6% annually. These figures represent the highest net figures in recent history for the MBTA.</p>	
	

Metropolitan Transportation Authority (MTA)	
Spaces / Date	14,000 / April 2009
Location	34 lots and garages throughout New York
Revenue Control	Digital Pay Stations
Staffing	40
Gross Revenues	\$7.0 million
Annual Budget	\$6.8 million combined expenses and payroll
Contact	Phil Petillo - Assistant Director Parking Services and Operations
	petillo@mnr.org , 212-340-4934
<p>LAZ Parking provides parking management, enforcement and collection services for the MTA.</p> <p>LAZ created a custom, online payment website for customers, to reduce the manual process of taking permits by hand. We installed all new equipment with credit card functionality, reducing cash handling and labor while improving customer service.</p> <p>Our team brought many 3rd Party functions in-house, saving 60%-70% of each expense, including sweeping, lighting replacement, striping, landscaping and snow removal.</p>	
	

- (c) a brief description of the material terms of the proposed agreement between the Concessionaire and the Operator that would reasonably be expected to impact the ability of the Concessionaire to comply with the terms of the Concession Agreement.

The Concessionaire will enter into a management agreement with Operator under which the Operator will perform a portion of the duties and the responsibilities of the Concessionaire under the Concession Agreement. Other such duties and responsibilities will be performed directly by the Concessionaire. The Concessionaire and Operator are related parties and have similar agreements in place covering other assets. This management agreement will be fully negotiated in advance of the closing.

**CITY OF INDIANAPOLIS PARKING MANAGEMENT AGREEMENTS
APPLICANT AND OPERATOR CERTIFICATION FORM**

Information concerning the Applicant

Name of the Applicant: **LAZ Parking Chicago, LLC**_____

Business Address of the Applicant: **15 Lewis Street, Hartford, CT 06103**_____

Telephone: **860-522-7641**_____ Fax: **860-761-0390**_____

Email: **tdipaolo@lazparking.com**_____

Name of Contact Person: **Antonio (Tony) DiPaolo**_____

Legal Form of the Applicant: **Limited Liability Company (LLC)**_____

State of incorporation or organization of the Applicant: **Connecticut**_____

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Information concerning the Operator

Will the Operator be the Applicant?: **YES**_____

If no, will the Operator be a wholly-owned subsidiary of the Applicant (a "Subsidiary")?: _____

If neither the Applicant nor a Subsidiary will be the Operator, please answer the following items regarding the Operator:

Name of the Operator: _____

Business Address of the Operator: _____

Telephone: _____ Fax: _____

Email: _____

Name of Contact Person: _____

Legal Form of the Operator: _____

State of incorporation or organization of the Operator: _____

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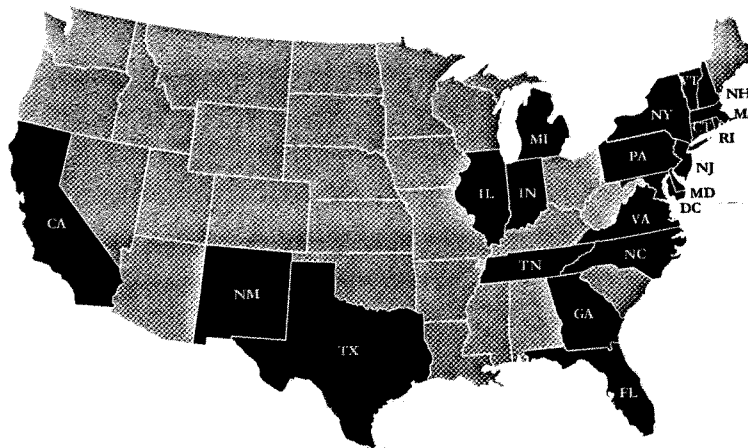
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Portfolio Mix:	Managed, Leased and Owned
Regional Offices:	Hartford (Head Office), Los Angeles, San Diego, San Francisco, Atlanta, Baltimore, Boston, Chicago, Dallas, Houston, Miami, New York, New Jersey, Philadelphia, and Washington DC

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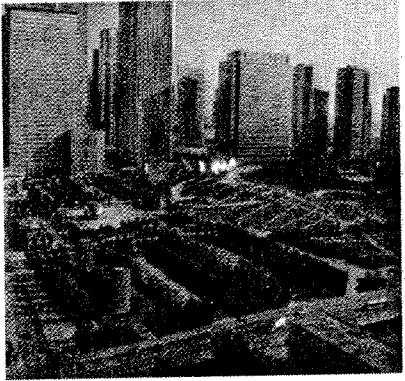
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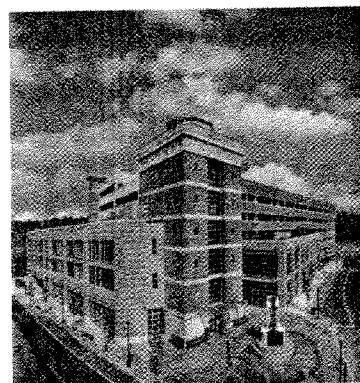
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Port Authority of New York (NY)	1,250
City of Macon (GA)	800
University of Miami (FL)	750
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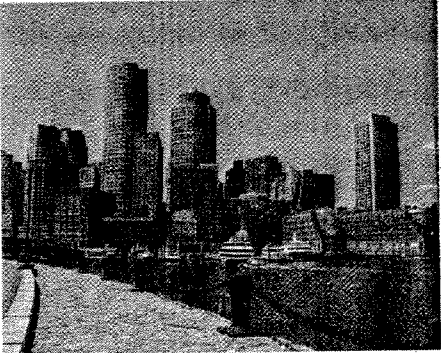
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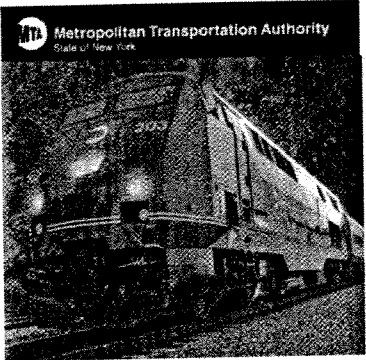
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	dheiser@panynj.gov , 212-435-8316
<p>LAZ provides 24hr self park and valet to over 500,000 vehicles per year at Manhattan's 2nd largest public parking facility. LAZ has incorporated automated technology such as reversible lanes, credit card in/out, pay-on-foot, pay-in-lane, cashiering and monthly access card exit, reducing per-transaction time to less than 10sec. for faster exits, increased customer satisfaction and greater revenue.</p> <p>Stringent management ensures that only 4% of exit transactions are cashiered, while 64% use pay-in-lane and 32% use pay-on-foot, drastically reducing labor expense.</p> <p>Co-developed a branding package which increased transient revenue, implemented preferred parking program to increase monthly revenue.</p>	
	

Norwalk Parking Authority	
Spaces / Date	4,000 / January 2003
Location	4 garages, 9 surface lots, on-street meters in various locations, aquarium valet
Revenue Control	Amano, 3 Pay on Foot, 6 Pay in Lane, CALE pay stations
Staffing	30
Gross Revenues	\$5.6 million
Annual Budget	\$5.1 million
Contact	Katheryne Hebert – City Hall Purchasing Department
	khebert@norwalkct.org , 203-854-7712
<p>When LAZ Parking begin operating the Norwalk Parking Authority facilities in 2003, the system was <i>losing</i> over \$600,000. LAZ has turned the operation around and for the past three years has created a net operating <i>income</i> of more than \$500,000.</p> <p>LAZ Parking has consistently introduced state of the art automation technologies as well as payment options that have significantly reduced operating expenses while enhancing the level of customer service. This has resulted in significant increases to net operating income.</p> <p>Through innovative management strategies, we have significantly increased permit sales and hourly parking activities without sacrificing service requirements. Over the past two years LAZ Parking has been instrumental in retrofitting the lighting in four of the City of Norwalk's parking garages resulting in increased energy savings and lighting levels</p>	



Massachusetts Bay Transportation Authority (MBTA)	
Spaces / Date	32,037 / December 2007
Location	62 lots and garages throughout eastern Massachusetts
Revenue Control	Federal APD, including entry/exit gates, ticket spitter and Pay on Foot
Staffing	130
Gross Revenues	\$22 million
Annual Budget	\$3.25 million
Contact	Ian Larrabee, Special Assistant to the General Manager
	ilarrabee@mbta.com , 617-222-4894
<p>LAZ Parking provides parking management, enforcement, snow removal and collection services for the MBTA. Additionally, LAZ provides parking attendant services and operates pay boxes and Revenue Control equipment at several sites.</p> <p>Since LAZ took over operation, we increased revenues by more than 12% in the first year and have continued to increase revenues every year since by between 5% and 6% annually. These figures represent the highest net figures in recent history for the MBTA.</p>	
	

Metropolitan Transportation Authority (MTA)	
Spaces / Date	14,000 / April 2009
Location	34 lots and garages throughout New York
Revenue Control	Digital Pay Stations
Staffing	40
Gross Revenues	\$7.0 million
Annual Budget	\$6.8 million combined expenses and payroll
Contact	Phil Petillo - Assistant Director Parking Services and Operations
	petillo@mnr.org , 212-340-4934
<p>LAZ Parking provides parking management, enforcement and collection services for the MTA.</p> <p>LAZ created a custom, online payment website for customers, to reduce the manual process of taking permits by hand. We installed all new equipment with credit card functionality, reducing cash handling and labor while improving customer service.</p> <p>Our team brought many 3rd Party functions in-house, saving 60%-70% of each expense, including sweeping, lighting replacement, striping, landscaping and snow removal.</p>	
	

- (c) a brief description of the material terms of the proposed agreement between the Concessionaire and the Operator that would reasonably be expected to impact the ability of the Concessionaire to comply with the terms of the Concession Agreement.

LAZ Parking has provided fee terms under two separate scenarios. **1. Systematic** and **2. Non-Systematic**, the difference being the treatment of certain expenses identified in the various management agreements as "Expenses of Parking Contractor" or "Expenses of Parking Manager". Both of these include a listing of non-reimbursable operating expenses including, "Salaries, wages, travel and accommodation expenses of any person employed by Contract, not employed at the Properties". Based on this contract language, the operator of the Off-Street management contracts would not be allowed to have any shared management supervision, marketing or administrative costs but would have to allocate these costs as operator overhead.

Under both of the approaches, our proposal is based on a 100% fixed fee.

Systematic Approach – The Systematic Approach looks at the entire off-street parking system and allows for each management contract to share in the portion of management supervision, marketing and administrative costs that are attributed to their specific contract while allowing these same personnel to share these costs with the other management contracts. The seven separate Management Agreements range from a single garage of 384 spaces to multiple lots and garages in excess of 5,000 spaces. For efficient management of operations, we feel that it is both necessary and appropriate for some level of management supervision, marketing and administrative costs to be shared among the various contracts. This can be easily achieved through a transparent process of identifying the management responsibility for each contract and agreeing on the fair and appropriate charges with each contract's ownership entity during the annual budgeting process.

Non-Systematic Approach - The alternative is that all non-direct expenses for which the operator is responsible must be built into the management fee for each of the various contracts. For each management contract under the Non-Systematic Approach, our proposed management fee would increase by \$10.81 per stall due to the duplication of many of these expenses.

Assuming that overall management supervision, marketing and other administrative costs can be allocated (Systematic Approach), we propose that the fixed management fee for each of the Management Agreements be based on the number of stalls managed per agreement. The Year 1 rate is modeled differently for each contract. Referencing the number of stalls identified in the management agreements, we have summarized the fee per Management Agreement below for Years 1-5 under both the Systematic and Non-Systematic approaches:

Fee Proposal by Management Agreement
Figures in \$thousand's Except per stall figures

Agreement	Payment Structure	Stall Count	\$/Stall	Year 1	Year 2	Year 3	Year 4	Year 5
CIB	No Overhead (Systematic)	5,883	\$ 13.50	\$ 79.42	\$ 81.80	\$ 84.26	\$ 86.78	\$ 89.39
	Overhead (Non-Systematic)		\$ 24.31	\$ 143.05	\$ 147.34	\$ 151.76	\$ 156.31	\$ 161.00
Circle Block	No Overhead (Systematic)	384	\$ 26.25	\$ 10.08	\$ 10.38	\$ 10.69	\$ 11.01	\$ 11.35
	Overhead (Non-Systematic)		\$ 37.06	\$ 14.23	\$ 14.66	\$ 15.10	\$ 15.55	\$ 16.02
World of Wonders	No Overhead (Systematic)	1,494	\$ 16.50	\$ 24.65	\$ 25.39	\$ 26.15	\$ 26.94	\$ 27.74
	Overhead (Non-Systematic)		\$ 27.31	\$ 40.81	\$ 42.03	\$ 43.29	\$ 44.59	\$ 45.93
Sun & Moon	No Overhead (Systematic)	1,259	\$ 16.50	\$ 20.77	\$ 21.40	\$ 22.04	\$ 22.70	\$ 23.38
	Overhead (Non-Systematic)		\$ 27.31	\$ 34.39	\$ 35.42	\$ 36.48	\$ 37.58	\$ 38.71
Claypool	No Overhead (Systematic)	578	\$ 16.50	\$ 9.54	\$ 9.82	\$ 10.12	\$ 10.42	\$ 10.73
	Overhead (Non-Systematic)		\$ 27.31	\$ 15.79	\$ 16.26	\$ 16.75	\$ 17.25	\$ 17.77
HHC	No Overhead (Systematic)	3,836	\$ 17.00	\$ 65.21	\$ 67.17	\$ 69.18	\$ 71.26	\$ 73.40
	Overhead (Non-Systematic)		\$ 27.81	\$ 106.70	\$ 109.90	\$ 113.20	\$ 116.59	\$ 120.09
State	No Overhead (Systematic)	6,182	\$ 12.00	\$ 74.18	\$ 76.41	\$ 78.70	\$ 81.06	\$ 83.49
	Overhead (Non-Systematic)		\$ 22.81	\$ 141.04	\$ 145.27	\$ 149.63	\$ 154.12	\$ 158.74
Total				\$ 283.86	\$ 292.37	\$ 301.14	\$ 310.18	\$ 319.48
				\$ 496.00	\$ 510.88	\$ 526.21	\$ 542.00	\$ 558.26

Fee Escalation: Note that we have included a proposed annual management fee escalation of 3% for the life of the Management Agreements.

Credit Card Processing Fees: Note that our response is based on the presumption that we will not be responsible for the payment of credit card processing fees. This should be clarified in the Management Agreements.

Term & Discount: Assuming that the terms of the Management Agreements are extended by five (5) years for a total of ten (10) year durations, we would be willing to reduce the base management fee per stall by 10% in Year 1 (and consequently in each subsequent year).

Enterprise Contract: We feel that a great opportunity exists within the City of Indianapolis to take the 19,000+ parking spaces and create an integrated Parking System. With the City being the focal point of the State of Indiana and one of the top event/convention sites within the country, having a streamlined system can have a meaningful impact on the attractiveness and forward thinking of the City's development. LAZ Parking has been successful in accomplishing such a transformation with the Millennium Garages (www.millenniumgarages.com) in downtown Chicago.

A few benefits of a system of this type include:

- **Consistent Branding:** Visitors can see a consistent image, logo, and name through online information, on-street directional signage, and from marketing materials used in conjunction with City events.
- **Operational & Financial Economies of Scale:** These facilities all require a great deal of repair & maintenance and capital asset planning (as required in four of the seven contracts). Having a complete system can reduce costs through various strategies that LAZ Parking will employ.

✓ Hedging of electricity supply

- ✓ Consistent lighting retrofits (green initiative)
- ✓ Insurance Premium Savings
- ✓ Centralized management
- **Revenue Control Equipment:** Automation and a uniform operating platform allow for:
 - ✓ 24/7 operations with centralized management/monitoring
 - ✓ Cross-location marketing opportunities
 - ✓ Use of streamlined technology will also aid with patrons' comfort with using the sites as they will all be similar in how they operate
 - ✓ Creating a More Efficient Labor Force (Job Duty Transformation).
 - Example: Cashier function, job duties changed to be customer service focused.
- **Revenue Growth Opportunities:**
 - ✓ **Washington Street Garage (State)** – Offering of Discounted Hotel Self-Park to Marriott Complex Guests.
 - ✓ **Claypool Court (Simon)** – Installation of key signage on Washington Street to inform public that public parking is available in 50% occupied garage.
 - ✓ **Event Parking & Social Media (System Wide)** – Use of 3rd party online event parking websites (Parkwhiz, Parking Carma, Etc.) to pre-sell event parking.
 - ✓ **Venue Partnerships (System Wide)** – Partner with event venues (Conseco Fieldhouse, Lucas Oil Field, Etc.) to sell parking at event ticket point of sale.

An Enterprise System also fits well into the LAZ Parking, P4 Partners, and VINCI Park partnership as it relates to access to capital, enterprise management experience, and assisting cities with their evolution by focusing on moving parking opportunities forward. Specifically:

- **LAZ Parking / VINCI Park:** International operating company that has had tremendous success in underwriting, securing, and operating Public Private Partnership (P3) agreements around the globe. Within the United States, this group has revolutionized cities, such as in the case of the Chicago Downtown Public Parking System and the Chicago Metered Parking System:
 - *Introduction of New Technology:* 4,200 pay stations installed in 6.5 months, replacing 34,000 single space meters.
 - *Unprecedented System Uptime:* Currently at 99.95% in Chicago.
 - *Rebranding:* Complete rebranding of four City parking structures (www.millenniumgarages.com).
- **P4 Partners:** While the off-street component of this transaction has not been structured as a long-term concession, P4 Partners' access to capital (both debt and equity) and strategy and track record of investing in urban off-street parking facilities offer significant opportunity to the various owners of these facilities for the financing of major facility upgrades, renovations or

new construction; as well as smaller scale projects such as and new revenue control technology, lighting upgrades, and building automation technology. The availability of this capital from a knowledgeable and experienced partner offers an efficient means to pursue physical improvements, improvements to top line revenues (e.g. new marketing opportunities) and expense mitigation (e.g. increased efficiency from new payment technologies).